

STAT

Page Denied

Chung-kuo Kung-yeh / Chinese
Industry, No 2, 25 February
1956, Shanghai, Pages 1-8

K'uo Pai

I. The Necessity and the Superior Character of the Duty-Performance
Wage System

(1) The necessity of this system. In an industrial enterprise, the higher officials who give direction to the other workers, the engineers, the technicians, and the administrative personnel (hereafter they are all called the technical and administrative functionaries), are the ones charged with the important duties related to the organizational, technical, and the economic sides of production. The functions of these people in the processes of production are to direct, to plan, to organize, to supervise, to collect statistical data, to audit, to furnish technical guidance to the workers, etc. Whether or not an industrial enterprise can carry out all the quotas as set up in the national plan depends to a large extent on the skill of the technical and the administrative personnel in managing the productive enterprise. It depends upon their knowledge and experience. It depends upon their creativeness and upon their positive efforts. For this reason any accurate systemization of the wage payments to the technical and administrative functionaries has a very important meaning.

When the wages of the technical and the administrative workers are to be regularized into a system, these wages, like the wages of the ordinary workers, should be determined on the basis of the kinds of duties to be carried out by such workers. But, because of the specific nature of their duties, their wage system

must have a specific form. This specific nature of the work of the technical and administrative personnel is readily manifested in the following two aspects.

1. The varied nature and the complicated character of the work of the technical and the administrative functionaries. The nature of the different kinds of work taken up by the technical and the administrative personnel is really like the old Chinese adage says: "There are the 360 kinds of occupations," meaning thereby a great variety of them. The kinds are many. The contents of each are complicated. In order to take up the different kinds of duties, a great variety of knowledge and skills will be required for these tasks. Because of this, the way for the determination of wage payments to the technical and the administrative personnel will not be like that which is used for the determination of the wages of the ordinary workers. Namely, the wages for the technical and administrative personnel will not be on the basis of grades. This cannot be done, because a simple schedule table of wages according to the grading system of the daily laborers will in no way reflect the difference in the amount of labor^{required} in the different kinds of duties performed by these workers. These duties are not at all the same in nature.

2. In general no specific and direct indicator can be gathered from the quantitative and qualitative character of the work done by the technical and administrative personnel. For instance we will find it very difficult to set up a certain quota for the planners of an industry or for the directing functionaries of it to carry out. (Of course it is feasible to set up a goal for the progress of work along a certain definite line.) And, if such a specific indicator could be gathered from the quantitative or

qualitative side of the work done by this higher echelon of the personnel in the enterprise, then it should be the one which would imply the fact that there was qualitative enhancement in technology and economy of the work in the plant in general or in the working rooms in particular. This would necessarily be so because the accomplishment in the work of the technical and the administrative functionaries is largely equated with the condition in which the whole group of workers whom they direct and guide or with whom they work would be able to fulfill the quota of work planned out for them. We can not arbitrarily fix up any direct quantitative relationship as the cause and effect between the amount of labor consumed and recompense paid for such effort spent by the technical and administrative workers. For this reason the kind of work done by most of the technical and the administrative personnel can not be reimbursed exactly in terms of the amount of work done (such as in the case of map making, calculation, typing, etc done by some workers).

Therefore a kind of specific wage system must be worked out for the technical and the administrative personnel whose work is different in nature from that of the common workers. This kind of specific wage system must be able to reflect upon the nature, the scope, the importance, the amount of responsibility involved in it, and the necessary degree of knowledge, experience, and capability required for the place of work to be performed by each and every one of the technical and administrative personnel.

(2) The superior character of the duty-performance wage system. The rich experience derived by Soviet Russia in the work of instituting some kind of wage system for the different kinds of work done has already developed into being such a desired system,

out by the workers. Under this vocation wage system, differential wage levels are set up for the different kinds of duties performed by the technical and the administrative functionaries. Whatever duty one takes up in the work of production, one is paid according to it.

The advanced experience of Soviet Russia and the practical work in the same direction done by some of the enterprises in China bear out the point that the duty-performance wage system, aside from fulfilling the principle of rewarding the technical and the administrative workers according to the kind of work done, also has the following effects.

1. It forwards the fulfillment of the system of individual responsibility. When the duties and responsibilities of the workers are not clearly defined, and when their duty and official titles are not made concrete and uniform, then the duty-performance wage system or the system based on duties performed cannot be worked out. In order to put into practice the duty-performance wage system, it is necessary to take one step further to strengthen the system of individual responsibility. The confusion in the division of labor in terms of the different kinds of duties, and the situation that no one is responsible for any specific duty, should be promptly corrected. In this way the duty-performance wage system will help to promote the completion of the system of individual responsibility.

2. Strengthening the management of making plans for the payment of workers. In order to carry out a wage system according to the duties of the workers concerned, each enterprise must work out a detailed organizational table of all of its employees. In this table, not only the number of its technical and administrative

employees will be determined by the need of each and every specific duty. Their titles must also be clearly indicated in this table. For instance, in order to effectuate the practice of the duty-performance wage system, the number of engineers cannot be given in only a general total. When their duties are to be tabulated in the table, it is necessary to state what kind of engineers they are. Are they engineers for planning or for work in the field? Are they steel refining engineers or are they engineers for the steel rolling mills? This kind of concrete grouping will enhance the accuracy in labor planning. This will make it easier to allot cadre workers for each job and hence easier also to prepare enough cadres for the kind of work to be done. Meanwhile the wages plan for the technical and the administrative personnel as recorded in this organizational table of the number and kind of employees will be closer to what the real situation is, and thus there will be better control and use than otherwise of the fund set aside for wage payment.

3. It will promote better adjustment and placing of cadre workers on right jobs. In order to effectuate the practice of the duty-performance wage system, the different kinds of work and the different kinds of processes in it must be definitely and concretely divided and named accordingly. The scope of responsibility falling upon each worker will also be defined. Hence differential wages will be set up for the various kinds of duties to be performed. Therefore, a comprehensive table of wage scales according to such duties in question will be laid out and it will in reality establish a qualitative standard for the appointment of a certain required number of cadre workers for a certain department in the enterprise. At the

same time it will also emphasize the necessity of weighing the fitness or unfitness of the working quality of those appointed for such work in that particular department. Similarly it will clarify the fact that a worker is worthy a certain wage even if he is not given a certain job. In this way the deplorable detailing of cadre workers to different duties irrespective of their technical qualification and skill will be held in check.

L. This will induce the technical personnel to make the best of their opportunity to improve their skill and hence the level of their work. It is the regulation of the system of wage payment according to the kind of duty performed to have higher pay for higher level jobs. Thus "the more important the duty is, the higher the wage payment will be." This principle serves well as an incentive to encourage the workers to progress. They will be encouraged to learn more, and study more about production policies, productive trade, and technical skills. Thus they will strive to be better prepared for more important duties. So the wage system based on the kinds of duties to be performed is really a powerful lever which will help to improve the working quality of technical and administrative personnel.

From this it is seen that the wage system on the basis of the duty to be carried out by the worker or on the worker's own duty-performances has its essential superior characteristics.

The main defect in the present wage system for the technical and administrative personnel of most of the enterprises in China is that the wage standard for such specific groups of workers is set up according to a general classification for all of them. There is no differential payment for the differences between specific jobs. So the wage payment in relation to the characteristics of

the specific duties concerned are not viewed together as a whole. Therefore the demarcation between the principal and the subordinate duties is vague. To a certain extent this affects the spirit of the technical and administrative workers in using their creative energy and their positive effort in production. On account of all this to introduce the practice of the duty-performance wage system is one of the very important steps on the way to the improvement of production management in the different enterprises.

II. The Principles on Which the Duty-Performance Wage System Will Be Based

The fundamental principle to be laid forth for the duty-performance wage system is that "the recompense of the workers is to be given according to labor put into the piece of work concerned." With a view to adapting this particular wage system to the qualifications of the technical and administrative workers, the following points must be taken into consideration in the process of forming a wage system as such.

(1) The position and meaning of each and every industrial unit in the Chinese economy. The basis of industrialization of a country is its heavy industry. This heavy industry bears a determining effect on the development of the national economy. Because of this fact, the wages paid for work in heavy industry should be higher than those paid out in light industry in general. Among all the heavy industries, the metallurgical, coal mining, and the petroleum industry are the most important ones and are the most fundamental. Therefore in these industries comparatively higher wage levels should be devised for the work. The reason for this is not only because these departments of production can and do exercise their guiding effect in the whole national economy, but it is also because of the

fact that they must possess a comparatively higher level of technical knowledge and a more advanced degree of skill for their work. At the same time the conditions for their work are also comparatively more complicated and specific in nature.

Under the duty-performance wage system, the difference in the wages for the different kinds of duties in the different kinds of enterprises is established with reference to the various maximum and minimum wage levels of the various kinds of work in the enterprises.

(2) The nature, scope, and volume of production of the enterprise in question. Within the same industry the enterprise that proceeds to put out the more important kinds of products on a larger scale than the other firms can or that can produce a greater total value in a certain period of time than the others should have higher wage levels all around for the duties performed by its workers. The reason for this is because this enterprise is more important in the total economy in comparison with the other enterprises. It is also because the work in their business management is more complicated and more difficult than in the case of the other firms.

Within one industry the differentials in the wages levels for the different kinds of duties of the enterprises under the duty-performance wage system are determined by dividing all these enterprises of the same line into different grades.

(3) The importance and the amount of responsibility of the work as well as its complexity and degree of difficulty. When differential wage scales are to be set up for the various kinds of duties within the same enterprise, this factor must be carefully placed in purview. The so-called important character of a kind of duty in production refers to its influence or bearing on the

productive activities of the whole enterprise. It is true that every part of the work in an enterprise is indispensable. But like in the case of a machine in which there is the axle and the framework that bear the most vital relationship with the function of the whole machine and there are the screws that have but a secondary effect on the same machine's function, the different parts of the entire work in a firm have their different results in the processes of production. In an enterprise the work in planning, technology, examination of skills, and organization of the productive factors has its deciding influence on the productive processes. Therefore the wages to be paid for these duties should be over and above the rest. Hence the recompense for the personnel that takes a directing responsibility for the work in the working room should also be on a higher level than that for those who are only assisting in such jobs as taken up by the higher echelon which issues orders.

The amount of responsibility of each kind of duty is directly related to the scope of work of such a duty. The manager of the enterprise or the superintendent of the entire plant will have the full responsibility for the whole enterprise or plant. Naturally his responsibility is much greater than that of the chief whose task is confined only to the production work of the working room. By the same token the chief of a working room has a greater responsibility than the assistant chief has; the chief overseer of labor in a section of the whole production work of the enterprise than the assistant overseer; and the head of a working department than the assistant head of it. For those duties that carry with them greater responsibilities, the wages should be higher. Thus those who give the directions for work in the enterprise ought to receive greater pay than those who are being directed by them.

The complex character of work is determined by the kind of technique needed for the work itself. It is also determined by the quality of knowledge of the worker concerned and by the degree of skill needed for that duty. In case the kind of duty taken up by the technical personnel should require some advanced and profound scientific learning or should require some reasonably good skill for its performance, then the wages fixed for this duty should be more than others.

The degree of difficulty and exacting nature of the work depends upon its intensity and the environment in which that work is being performed. The work for those who are responsible for directing and guiding the general business in the whole plant is much more rigorous than that of the common workers. The work in the working rooms is more exacting than the work to be done in the administrative department. Therefore higher wages should be made available for the kind of work that is more exacting and more difficult to do.

(1.) Others. At the time when the wage scale for the different kinds of duties of a plant is to be concretely made out, there must also be consideration given to the following points.

1. In regard to the limit of the wage fund which an enterprise will have established and in regard to the level of the average wages for the general workers, the rules and regulations established by the nation on this account must be strictly observed.

2. A reasonable relationship among the different wage levels for the different kinds of duties within a plant, especially between the wage levels of the technical personnel and the common production workers, should be worked out. For if the wages for the technical and the administrative personnel are lower than the wages paid to the workers with medium skills, then this will prevent the more

advanced workers from being promoted to the rank of foreman or technician.

III. Procedures and Methods for Establishing a Wage Scale for the Different Kinds of Duties

The table for the names of the different kinds of duties in the enterprises of the nation and a scale of the wages for these different duties will be determined by the national wages and wage scale compilation commission of China.

(1) Differential wage levels to be established within an industry. Here let us touch upon the ways of establishing a wage scale according to the duties to be performed within an industry.

To establish a wage scale according to the duties to be carried out in an enterprise, the following procedures can be followed out for this end.

1. Divide the enterprises within one industry into different grades. From each grade a particular plant may be picked out as the standard. When these enterprises are to be graded the factors discussed above must be taken into consideration. In general the enterprises within the same industry can be divided into 3 grades. The concrete conditions for grading them must be determined by the concrete conditions of the industry being considered.

After the enterprises within that industry are graded as desired, then a model enterprise must be called out from each grade. This will be done by observing the greatest number of common characteristics of all of them in that grade. This step is a necessary procedure for the ascertainment of wage relationships among the units of the executive department and the working rooms among the main executive unit, the working rooms, and the other

executive units in general, and among the workers of the working rooms as a whole.

2. Put together all the names for the different kinds of duties within one industry. An then arrange them and unify them. Finally they should be classified, and the scope and extent of responsibility appertaining onto the main kinds of duties should be defined and clearly marked out. The kinds of duties for the technical and the executive personnel are manifold. And besides, the same kind of duty may be called differently in different enterprises. For instance the keeper of records for production work is also known in many enterprises as the recorder of labor or the primary recorder. Because of this, it is necessary to select first some model enterprises for study and then investigate them in detail. All relevant material concerning the scope of responsibility of the different kinds of duties in the enterprises are to be collected, and the titles of these duties will be set forth in clear-cut names. Then the processes of rearranging, consolidating, and unifying of these data will follow. Assigning names to the variety of duties or choosing new names for them should be done in a very concrete way. The ideal names should be such that they will readily convey by a mere glance to people the implication and nature of the duties themselves. For instance in a machine factory the technical personnel whose work is to make technological plans for the work can be very concretely divided into technological personnel for casting, refining, metal cutting, etc. And then they will be so named accordingly. Or again for instance the accounting personnel for finances may be divided into the cost accounting group, general accounting group, bookkeepers, auditors, and pay clerks.

The names of duties are too many in kind. Therefore, if at the time when a wage scale is to be made for all the job positions of the workers and an individual wage level formed for each and every duty to be carried out, then this wage scale will be so complicated and confused that it will be too clumsy. Thus the purpose of classifying the different kinds of duties is to simplify the contents of this wage scale for the industrial department. It is also to give the industries the description of the different modes of work for which the wage scale decided upon should be followed in practice.

In classifying the different kinds of duties, the above three factors must not be lost from sight. A classification sample is shown in Table I below.

TABLE I
SAMPLE ILLUSTRATION SHOWING WAGE RELATIONSHIP AMONG
TECHNICAL AND ADMINISTRATIVE PERSONNEL, COMPILED
BY THE UNITED IRON AND STEEL INDUSTRIES
ADMINISTRATION OFFICE

Kinds of Duties	Kinds of Wage Rates	Wage Relationship		
		Grade A	Grade B	Grade C
		Enterprises	Enterprises	Enterprises
/1/	/2/	/3/	/4/	/5/
Directing personnel on the management level of a whole factory				
1. Factory superintendent, chief engineer	1	2.55--3.00	1.82--2.15	1.52--1.80
2. Vice superintendent, assistant to the factory superintendent, vice chief engineer, chief engineers for steel refining, steel rolling, and for motive power generating	2	2.10--2.55	1.52--1.82	1.32--1.52

/1/

/2/

/3/

/4/

/5/

Directing personnel on the department level in a factory

1. Chiefs of the production department, technical department, and the department of technical examination 1 2.10--2.52 1.52--1.80
2. Chief of arrangement-making for the departments, chiefs of the planning department, project-making department, department of labor organization, department of supplies, department of accounting, department of safety measures, etc 2 1.74--2.10 1.40--1.65 1.32-1.52
3. Department chiefs for industrial education, the personnel department, department of welfare, secretarial department, etc 3 1.52--1.82 1.31--1.45 1.20--1.38

Technical and engineering personnel

1. Special functionaries on shifts, who make arrangement for necessary things of production work in plant 1 1.48--1.78 1.28--1.42 1.20--1.32
2. Head engineer, functionaries for setting up work projects, such as steel rolling, machinery, electrical appliances, plans, technical quota, safety measures, technical examination, technical education, and general supplies 2 1.45--1.74 1.25--1.42 1.20--1.32

	/1/	/2/	/3/	/4/	/5/
3. Engineers		3	1.20--1.45	1.10--1.25	1.10--1.20
4. Higher technical personnel (to make estimates of quotas, to organize labor, to examine technical matters, to test the equipment, to check the products made, to make plans, and to devise safety measures).		4	0.86--1.10	0.78--1.05	Wages same as Grade B
5. Technical personnel (technical personnel of all the other departments).		5	0.66--0.86	0.62--0.78	Enterprises
Administrative personnel					
1. Superintendent for the general warehouse, cost accountants, workers on general statistics for the entire plant and economic workers		1	0.86--1.10	0.78--1.00	
2. Chiefs of branch warehouses, chief of office for records and files, overseers of warehouses, department statistical workers, workers on drawings		2	0.66--0.86	0.62--0.78	
3. Bookkeepers, paying and receiving clerks, sales workers, workers on time-recording		3	0.62--0.72	0.60--0.70	

	/1/	/2/	/3/	/4/	/5/
4. Debt collectors, workers on new designs, work records examiners, overseers for goods in being transported, clerks for receiving new acquisitions, packing and examining clerks, chief of general affairs, clerks for matters concerning the welfare of life, and ge- neral affairs clerks				0.55--0.66	0.55--0.62
5. Telephone operator, typists, receiving and dispatching clerks, mimeography clerks, copyists, and clerks for making signs and posters		5		0.50--0.60	0.50--0.60

Note: The kinds of departments and the names of the different kinds of duties of the plants are not complete in the above table. What is given here is only an example for illustrating the general way of classifying them.

In order to unify the explanations for the different kinds of names for the variety of main duties in an enterprise, to make sure the extent of responsibility that each kind of duty has, and to bring out concretely the desired kind of division of labor, a set of standard rules and regulations can be enacted for these duties and responsibilities involved therewith. This will provide something for the enterprises to go by when they take step to make up their own scales of wages for the different kinds of duties to be performed.

3. To determine the wage relationship among the various kinds of duties. On this basis the maximum and the minimum wage levels for each kind of duty will be worked out. The wage relationship among the various kinds of duties is to be indicated through the ratio between the monthly wage level of the higher workers of one kind of duty to be performed and the monthly wage level of the ordinary productive workers in the same group. In the present practice the highest wages of the ordinary productive workers are taken as the standard. But under the new system the purpose of setting up the maximum and minimum wage levels as discussed here is to make the kind of wages paid according to duties carried out. This is for the realization of the principle that the laborer is compensated according to the kind of labor he put into the work. Furthermore, when this kind of proportional relationship is established between the highest and the lowest wages of a group, the work for making out a scale of wages for the whole group will be simplified. Furthermore, if any adjustment is needed in the future, it can be very conveniently worked out at any time.

The reason why a proportional relationship between the maximum and minimum wage levels of a group of workers should be set up is because there must be a higher and a lower limit for the wage range of each kind of work or duty to be carried out. These two limits in the whole range of wages of a group when actually introduced into practice will have 2 effects. For one thing, when the wage payment of a certain working hand is to be appraised there will be attention to his working ability, experience, educational attainment, years of work, etc. For another thing, it will, when a wage scale for the various kinds of duties to be performed is to be set up, make this task of wage determination

easier by dividing such duties between the highest and the lowest levels into more detailed brackets on the basis of concrete conditions.

At the time when such wage relationships are to be ascertained between the higher and the lower limits, the principles mentioned above likewise must be taken into consideration. This difference between the higher and the lower wage limits must not be rashly determined unless the whole situation is thoroughly analysed, compared, synthesized, and coordinated with the others. Because there are differences in the grades of enterprises of the same industry, the relationship of wages among these enterprises will also be different. The proportion of wage receipts in the wage level of the people who are charged with the direction and management of the grade A enterprises will be over and above that in the wage level to be accorded to the workers of the enterprises in the other grades. The share due for workers in the grade C enterprises will be smaller. The reason for this is that grade A enterprises are run on the large scale. The work of production is comparatively more complicated. Thus the demand on the personnel who give directions for the plants is relatively more rigorous. Table I above is a sample illustration of this difference in wage relationship of the technical and the administrative workers of the plants under the united iron and steel enterprises administration office. (The numerical figures in this table are only fictitious. The highest in each bracket of this table is only 1.00).

The maximum and minimum wage limits of each group of workers are derived by using the wage payment of the highest grade of workers of the group as the standard timed with the coefficient of the number of persons. This is used to represent the wage relationship

receiving group. The amount of wage paid to each worker according to his labor spent on the job is expressed on a monthly wage payment basis. Technical and administrative personnel are all paid by each month's wages. The change of the number of calendar days in some of the months will not affect the amount of payment.

In order to make the projected wage relationship comply with the characteristics of the wages plan, a few draft copies of the wage cases must be made out beforehand. Then a calculation of the differential wages within one group and among the groups can be attempted. With the materials collected on the number of the technical and administrative personnel for the different kinds of duties in all the enterprises and by the average wages of all the kinds of wage levels for all the kinds of duties performed (that is, the average wage level between the maximum and the minimum wage levels), calculation of the differential wages within a group can be worked out. Then the conclusion can be taken as the final form of the differential wage scale for all the different kinds of duties to be carried out. However this drafted wage scale must conform to the total quota of wage appropriations for the nation. When this selected draft of the average differential wages is approved by the nation it becomes a system ready to be given out to the different enterprises for practice.

(2) The differential wage level worked out on the basis of an enterprise. The guiding organization, that is, the organization that has administrative authority over the enterprises, will distribute the enacted standards for the differential wage system thus set out to all the enterprises. It will also let the industrial enterprises know the different classes of duties that

they are going to perform. In consequence of this, these enterprises will make up their own wage payment table according to such duties as are set up and defined officially by this administrative organization. The way to construct this table will be the same as that used to build up one for an industry as a whole. However the individual plants will have more detailed divisions among the classes of duties than an industry as a whole will have.

First of all, a concrete table of the number of workers of the organization should be compiled. The number of workers of each unit in the enterprise (such as a working room, a section of a department, an office in the general affairs department, etc), and the names of the different categories of duties will be carefully and thoroughly laid down in this table.

Then the scope and extent of the responsibility of each kind of duty as named in the table above will be more clearly and surely defined.

Thereafter, on the basis of the scope of responsibility of each kind of duty, the principles brought out in the previous connection will be placed in the perspective of discussion and then the maximum and minimum wages for each kind of duty to be performed will be established. Thus the highest and the lowest wages for each category of duties are to be determined according to the maximum and minimum limits of such wages as set forth in the standard scale by the guiding organization, such as the united iron and steel industries administrative office mentioned above.

For the sake of convenience in appraising the wages of each and every worker, there may be 2 or 3 divisions made in form of percentages of the entire range between the maximum and the minimum wage level of each kind of duties. In this way, when the wage

payment of certain worker is to be determined, it can be determined realistically according to his ability, his experience, his education, and his years of work. A differential level can thus be made. This differential is necessary, because each worker's qualification in ability, experience, and educational background is not the same, and hence his contribution of work will also be different. When a differential recompense is given to one who is more capable in his work, more tested in experience, more advanced in technical education, and has been associated for a longer time with this kind of technical job, it will encourage this worker all around to improve his own cultural, professional, and technical standards. He will be more than glad to become a master of his own trade. For instance, when the salary for an accounting worker is set at 75-88 yuan, then an additional division can be inserted in there as 81 yuan, and the whole scale will be 75-81-88 yuan.

(3) Two associated ideas can here be brought out conveniently.

1. Some people tend to think that wages paid according to work done means "just one kind of wage level for one kind of job." This is not true. If it really means "just one kind of wage level for one kind of job," then it will result that the workers with fewer years in the industry and a lower technical level will draw the same kind of salary as those who are much more advanced in their qualifications because the job is the same. If this is the case, nothing would be further from the principle that "recompense will be given out according to the kind of labor put into the work."

2. Some people take issue with the idea that more divisions should be made within the limit of the higher and the lower wage levels for each category of duties. They hold it to be an attempt to "create more small classes," and an attempt to tamper with

equalitarianism. Their view is that, granted there is the difference in ability and experience, this difference can be made up in the form of a system of special rewards instituted in accordance with the amount of time consumed for work. Special prizes may be awarded to the more advanced workers. However in experience this practice as suggested is found to be very difficult to carry out. At the same time, if some workers should be more meritorious in their work and more improved in their aptness as undoubted there would be, then their pay would have to be raised. But if they should be promoted from the minimum wage group to the maximum group, such a rise would seem unreasonable. Therefore suitable additional divisions between the higher and lower wage limits still cannot be dispensed with. But the number of divisions should not be too many, and they should be so designed that they will be able to stimulate the ambition of the workers for higher positions. This is not equalitarianism. The experience of Soviet Russia in respect to wage organization also proved that this method is a better one in stimulating performance. They have already affirmed its soundness in theory.

After the system of wage payment by duty is drafted, the figures involved should be thoroughly calculated. In this way the total amount of wages under this system will not be at variance with the planned wage appropriations and the characteristics of the average wages set out in the national plan. As to the methods used for calculation of the figures involved, the different enterprises which have been reforming their wage systems have already acquired a great deal of experience. We will not go into this matter further.

After the wages for the different levels of duties are determined, they can be incorporated into the table of personnel organization of the enterprises. Then this table will be presented

to the superior authority of the guiding organization for approval. Then the new wage system can be put into practice in that particular enterprise. (The table of personnel organization of an enterprise is shown in Table II below.)

TABLE II
PERSONNEL ORGANIZATION TABLE COMPILED BY THE SECTION
ON LABOR WAGES OF INDUSTRIAL ENTERPRISING FACTORIES
ADMINISTRATION OFFICE

Name of Duties	Scope of duty	Number of workers	Wages according to duty (yuan)	Remarks
Head of a section		1	124	
Assistant head of a section		1	112	
Head for production quota estimating	omitted	1	108	engineer
Clerks for production quota estimating		3	85	
Chief economic officer for wage payment		1	100	economic engineer
Economic clerks for wage payment		2	79	
Chief for labor planning		1	95	higher technical worker
Statistical clerks		1	70	
Clerks		1	55	
Total		12		

Note: In this table the fixed level of wages according to the kind of duties performed takes into consideration the existing

conditions of the working cadres. Therefore, no maximum and minimum wage limits are given here. In the period planned the standard laid down in this table is to be carried out without variation.

IV. Thorough Fulfillment of the Duty-Performance Wage System

To carry out thoroughly the kind of wage system according to duty performed, the following methods can be adopted.

(1) An ideological mobilization must first be worked out thoroughly. The kind of wages paid to the workers according to duties performed directly connected with the personal interests of all the technical and the administrative personnel. On this account, before this new wage system is to be put into practice in an enterprise, it is necessary to educate the workers well for it ideologically. On the basis of experience of all those enterprises that have already made use of this duty-performance wage system, the ensuing sorts of ideological obstructions might be encountered on the way to the fulfillment of this new wage system in the other enterprises. The obstructions will occur as follows.

On the part of the directing personnel or the higher echelon in the management. (a) They are afraid that the sentiment of the workers concerned might be hurt when this new wage system should be introduced. (b) They are afraid that after the different kinds of wage levels are well set for the different kinds of workers, it will become a rigid and hidebound rule, and afterwards, if there should be a time when the work in some unit is too much for the existing personnel to cope with, they would be unable to switch workers from the unit just above or below their own to their help. (c) They take the existing organizational mechanism as to be too imperfect for the practice of this new wage system. The division of labor among the different kinds of duties is not clear-cut and the areas

of responsibility overlap. The quality of the working cadres is still below par. For all these reasons the conditions for the practice of the new duty-performance wage system do not yet exist.

On the part of the personnel as a whole. (a) They are afraid that their present respective duties might be changed for some other lines which are not familiar to them. (b) They are afraid that their wages might be reduced on account of this new system. (c) They will consider those duties for which the wage payment is raised as "soft," and people who ~~have~~ have them are just drawing their pay in "hot money." They will feel that they are not getting a fair deal, and their heart will not be in their own work. (d) Or, they may be satisfied with the duties they have now, but they are not satisfied with people who are holding the same kind of duty and drawing the same amount of pay.

When all these ideological problems are to be solved concretely, explanations must be made for those points which are entirely out of accord with the purpose of the duty-performance wage system. Besides this, the superior characteristics of this new system must be stressed and publicized. The thought of equalitarianism must be attacked. Then the technical and administrative personnel must be encouraged to improve and raise the standard of their respective professions and techniques. They must be made to realize that they should have better qualifications for more important but more difficult duties.

In this connection a discussion of the conditions under which the wage system according to duties performed can be worked out is called for. Those who consider the existing conditions to be not quite good enough for the practice of this system only see that the fulfillment of this new plan will require a much better organizational mechanism and a much clearer scope and definition of

responsibility in each kind of duty. But they fail to see that the practice of the duty-performance wage system will strengthen the mechanism of organization and will make the confines of the responsibility under each duty much more definite. Right now the mechanism of organization in many enterprises is not strong and rigid. Nor is the division of labor of the different grade of workers in these enterprises very clear. These are indeed the cold facts. Yet such facts are not unalterable. By putting into effect the duty-performance wage system, the enterprises can be urged to strengthen their organizational mechanism. And the scope of responsibility under each duty will be more clearly defined under this new wage system. Thus on the one hand favorable conditions will be created for the realization of the wage system according to duties performed. On the other hand the organization of the enterprises will be made stronger and clearer with respect to the extent of responsibility belonging to each kind of duty. Thus the division of labor among the different kinds of duties will become all the more distinct. All in all this may really be said to have killed two birds with only one stone. As to the fact that the quality of working cadres is relatively poor, it is a universal condition in the industries throughout China. So far as the degree of technical dexterity of these workers is concerned, and this dexterity is so much in demand in industry, most of the core workers in most of the enterprises of China are just "like the sight of a flickering lamp being placed on a prominent light stand." They do not measure up to the demand of their duties. The important question is to learn and to learn more. And the duty-performance wage system is just the thing which will give the workers the stimulus to push ahead. The experience of the Chung Chang Railroad

has well proved this point. The duty-performance wage system was introduced into being on that railroad in 1950, and the result was excellent. Can we say now that the work of the technical and the administrative workers on this railroad 5 years ago was much better than that of many of the core workers in many of the other enterprises today? Obviously we cannot say that. What is shown from this railroad is very convincing. Therefore it cannot be emphatically said that present conditions are not suitable for the employment of the duty-performance wage system. That favorable conditions should be positively created as a preparatory step to the practice of this new wage system is on absolute necessity.

(2) A combination of the facts that the organizational mechanism should be properly adjusted and the system the right man for the right responsibility should be strengthened. To have the definite personnel organized for the suitable kinds of work and to define clearly and definitely the limits of the duties of these different kinds of work are, as mentioned before, the major premises for the realization of the system of wage payment according to the kind of duty performed.

At the time when the mechanism of the organization is to be strengthened and the body of personnel is to be made definite and assigned to suitable duties, the jobs of the core workers can be carefully investigated and be properly adjusted according to individual cases. If and when in the duties for which relatively higher wages are being paid some of the workers are discovered to be below the required standard in qualification or skill, then their status should be readjusted. For without further adjustment they cannot do their best work. Or, if some of the workers who are known to have excellent ability but are placed in relatively low

paid jobs, they should be promoted at once. These such misplacements are like square pegs placed in round holes, which will hinder the duty-performance wage system.

(3) Decide the wage payment for each technical and administrative worker concretely. In regard to the methods to be used here to determine the wages of the individual workers, reference can be made to the measures taken by different enterprises in the past when they reformed the then existing wage system. These measures will not be dealt with here.

As to the conditions on which such wages are to be determined, they have already been discussed before. That is, full consideration should be given to the ability, experience, years of work in enterprises, and educational attainments of the individual. Besides, there are still 2 more problems to be taken up here.

1. There is the problem of the so-called "morals." "Morals" are a political quality or character. It is the attitude or willingness to serve the people. In the past, during the reforming the wage system, or when wages were to be readjusted at the time, there was always the emphasis on the principle of "morals." It was said that morals and talent must be both complete in a person. Now, when the duty-performance wage system is put into effect, will this same principle be stressed too? In regard to this problem, there prevail two views. One is that there is no necessity to emphasize this principle at all, because when the core workers are attached to certain kinds of duties there has already been consideration given to the factor of morals. All those core workers who are placed in important positions are in general comparatively good in their political qualities. Of course there are cases in which some of the cadre workers who are not so good in their political qualities

are also placed in responsible positions because of their greater professional ability. However such a case is definitely due to the fact that a core worker of this sort is completely qualified to step into the job given him. Whatever duty he is qualified to assume, that level of wage payment will be due to him. If that duty is beyond him, it is naturally kept for him, and of course there will be no consideration for that level of wage payment for him. Another opinion is that this problem of "morals" needs to be considered. It needs to be considered, because the system of wage payment according to duty, does not mean one kind of wage level for one duty. Even if the duties are identical, there may well be differences in the payments to the workers. Experience has proved that people with high working ability but poor political character in many instances are likely to commit grave errors and do great damage to the interests of revolution. Only when the factor of working ability and the socialistic labor attitude are correctly combined can there be good labor. Because of this, "morals" have a decisive bearing on the contribution of a core worker to his country and to his society. Therefore, when the wages of a worker is being specifically appraised, the principle that that particular worker "should have both the morals and the talent" must always be kept in view. The present writer has the opinion that this latter view is accurate. The former school of thought is superficial. In reality these two schools of thought can be combined to strike a happy medium, that is, the wages which a worker will draw will depend upon the kind of duty he is going to perform. Yet, when the level of this payment is to be determined, the principle of the moral character and the talent of a person must go hand in hand as a controlling factor in this decision. With this

principle in view the specific condition of the worker in question will be taken up. His wages will be determined on a suitable level somewhere between the maximum and the minimum limits for the wage range of that specific kind of duty.

2. When the wages of the technical personnel are to be appraised, will this appraisal follow the standard of that particular kind of technical work? In the present wage system of most of the enterprises the wage payment of a technical worker is not figured out on the basis of the kind of work he does, but on his technical ability (the technical standard of that particular field is used as the measurement of his technical ability), and on his political character. Now when the duty-performance wage system is put into practice, and the wages are determined by the kind of duty a worker takes on, then will the technical standard still be the decisive factor for this determination?

The past experience obtained in the appraisal of wages for the technical personnel made it clear that the technical standard of the technicians had its definite effect on appraising the technical ability of each of such workers. However, when the wage level was going to be determined, it was often not determined under the light of some specific technical duty of the enterprise concerned. Therefore there was such unreasonableness that the wage payment to those who had a directing hand in the enterprise's management was even lower than that received by one who was under their direction. This phenomenon proves that if only technical ability but not the kind of duty to be performed is taken into consideration in determining the wage level the result is not reasonable. The present writer believes that when the duty-performance system of wage payment is put into practice the important thing is to have the wages determined according to duties carried out ^{by} the workers.

Yet the idea of the technical standard used in the past for wage determination can still be preserved, for its preservation will exercise the following effects.

(a) It can make the work of the personnel more in conformity with reality. This is because when the technical standard is recognized, the rank or grade of a particular worker can reveal his technical aptitude as demanded by the kind of duty he is to perform. For instance, when the technical personnel of industry are to be definitely organized for work, it can be definitely ruled that engineers or technical workers beginning from a certain grade may do some kind of special industrial work in addition to their main work. In this way the plan for allotting cores worker for certain jobs and the method of cultivating such workers for more important duties can be greatly improved.

(b) When the wage problem of each worker is being concretely assessed, this assessment can be used as a reference for the determination of wages between the maximum and the minimum levels set for the same kind of duty.

(c) It can indicate the direction to which the endeavors of the technical personnel can turn for an elevation of the level of their technical knowledge.

However, in order to make the general standard of technical requirements have all these desirable effects, the existing standard adopted to classify and organize the present technical personnel must be improved. The way of organizing technical workers and assigning them to proper duties was not according to the nature of the work in relation to their aptitude. Division of labor was made with reference to the nature of the duties in question. The technical workers were organized for work only on a general basis.

These conditions must be changed. From now on work must be grouped:

together according to its nature and character, and suitable workers must be assigned to it on this basis. (With respect to this problem more will follow in the ensuing paragraphs.)

(4) Enactment of strict rules for the classification and organization of personnel. On the ground of the procedures set up by the guiding organization concerned, the wages of the workers in a plant are determined according to the duties they are going to perform. Then this wage scale, together with a table of all the personnel of the enterprise, is to be presented to the guiding administrative organization for approval. When this approval is secured by the enterprise, the personnel will be in different classification as set out in the table. Their wages will be paid according to this new scale. Thus this table of personnel for the enterprise (including the wage scale set up on the basis of the duties to be performed), after being approved by the guiding organization, becomes an enactment for that enterprise to follow. Without the approval of this superior organization, no one in that enterprise could increase or reduce one member on the personnel. Nor could one raise the wage payment of any person above the maximum or lower it below the minimum limit as laid down in this system. In order to assure that the standards set forth in the table of personnel of an enterprise will be executed to the last detail, it is desirable to lay down some rules toward this end. This will be good for the general business in that enterprise.

(5) Problems that may arise on the way to the execution of the duty-performance wage system and their solutions. Some enterprises already have put into practice the system of wage payment according to the duties of the workers. In so far as their experience

is concerned, there are some causes which may give rise to a few problems. These causes sometimes came from the defect of assigning the core workers to unsuitable duties because of the lack of adequate planning. Sometimes they were there for the reason that there was no thorough investigation into the technical aptitude of the core workers, and so it was not certain that their ability would be equal to the demands of their duties. And of course there are difficulties all the time in the work itself. Because of all these causes, there are some problems as indicated by past experience in the practice of this duty-performance wage system. The important ones are pointed out as follows:

1. Some of the individual duties are specific in nature. They may not be listed in the table of wages paid according to duty as compiled and distributed by the guiding organization to the individual enterprises. When such a condition arises it will be up to the individual enterprise concerned to decide the wages of these special workers according to the nature of the work in comparison with similar jobs under the standard of the new wage system. These special wages determined by the enterprise however must be submitted to the guiding organization concerned for approval.

2. In some units of the enterprises there are only assistant heads for the direction and guidance of the work of such units. They do not have chiefs. Under such circumstances the assistants are really assuming the responsibility of chiefs. Because of this the pay of such assistants after the lapse of 3 months may be appraised and raised to the level of the pay of chiefs. However, if thereafter there should be appointed regular chiefs to such units, then the wage payments of those assistant chiefs will have to be degraded to their former level where they belong. In this way

and only in this way the principle of wages paid according to duty can be worked out. The pay of the acting chiefs can also be treated in the same manner.

3. In the case of a small enterprise, because it is operated on a small scale, it will be necessary to combine some of its duties into one unit and have them taken care of by a single person. Under such circumstances the combination of duties savors of an increase of the scope of work and the addition of responsibility for that person. Therefore, when a table of wage scale for all the workers of this particular enterprise is to be compiled for internal use, the upper limit of the wage level for that combined duty can be revised further upward in a suitable way. The guiding organization concerned can act on the basis of this worker's concurrent duties to boost his wage level by a certain allowable percentage. The management of the enterprise can take the initiative in doing this on the approval of the guiding organization.

4. Because of some specific reasons or because of some practical difficulties, those core workers who have been the misfits on their jobs are incapable of being reallocated to some other positions, and the sorry situation cannot be readjusted, at least not right away. This kind of condition obtains in either of 2 forms. One is that the standard of aptitude of the core workers is low. The present duty is too big for them. Yet for the time being no other suitable personnel can be located to take their place. The way to deal with this predicament will be to allow them to drag on in such jobs temporarily, but their wage payment will be reduced somewhat below the level of their grade as allowed under the duty-performance wage system. At the same time opportunity should be provided for them to do more learning. If and when their technical

ability is sufficiently improved that they can stand up to the requirement of their professional duties in the future, there will be a reappraisal of their wages according to their performance under the new wage system.

Another reason for this kind of condition is that the standard of technical aptitude of the core workers is relatively higher than their duty would require of them. Formerly the kind of wages they earned was also higher. They are really qualified for higher positions. They are giants in a small niche. The only justification is that their present duty requires such technical knowledge as they have, and temporarily no one can be found to substitute for them. In regard to such a condition, reference can be made to the Soviet Russian experience in the "especially stipulated wages" method. Under this method a special individual wage may be determined for such a special worker. However this special wage is paid only to such a person on such a special duty during such a special time. Moreover this special wage must also be approved by the guiding superior organization. Therefore the guiding organization should set up a limit for this kind of special individual treatment and also make it plain that certain definite procedures would be required before such an approval could be accorded.

5. The original wage level for a job was relatively too high. The new system of wage payment according to duty will lower this level and hence reduce the income of the workers. Under such circumstances, the principle of the new wage system, that is, pay as the duty justifies, should be insisted upon for practice. The former wage level cannot be continued. Of course it is allowable to give some attention to this previous wage level when the actual wages are to be decided on in respect to the principles of

the new system. For instance the highest wage level under the old wage system may even be adopted for the new system, but this highest level under the old system must not be allowed to exceed the limit set forth by the new system under which wages are paid according to duties performed. If some wages drawn by the workers under the old system were above the higher limit of the new system, that excessive part should be reduced on the basis of the present rules concerning the retention or recapturing of excessive wages.

The problems together with their solutions brought out above are based only on the experience of those enterprises that have already adopted the duty-performance wage system. They are good only for practical administration.

Generally when the duty-performance wage system is going to be carried out there will be many practical problems. These problems must be attended to and handled adroitly in line with the spirit of the concrete situation. At the same time the principles will not be sacrificed. The tendency toward retaining the previous wage level of the old system on the pretext that the kind of work to be done is different from the ordinary must be prevented, so that the limit stipulated under the new system of wage payment will not be passed again. All equalitarianistic thought must be resisted. Even the mention of such thought must be opposed. Only in this way can the new wage system be assured of fulfillment.

V. A Few Problems in the Conversion of the Present Wage System for Technical Personnel, to the New Duty-Performance Wage System

Technical personnel among all the technical and administrative personnel of industrial enterprises occupy the main important position. The duties discharged by them are comparatively more important and more complicated. In this regard, when the present

wage system is to be converted into the new duty-performance system, the main point of emphasis should be centered around the wages of the technical personnel in relation to their duties.

The present wage system practised by the different enterprises are not the same. For this reason when the new wage system is to be effected, there should be different kinds of measures devised to cope with this situation. Here only a few general problems will be discussed in this respect. These problems are the problem of the titles of the duties of technical personnel, the technical standard required of the technical personnel, and the wages problem for the foreman.

(1) The problem of duty titles of the technical personnel.

Under the present wage system the titles of duties of the technical personnel are divided into engineers, technicians, special technical workers, and assistant technical workers. (In the northeastern regions, the engineers themselves are further divided into chief engineers, engineers, vice engineers, and assistant engineers.) A general classification method as such is not capable of satisfying the need for the fulfillment of the new system of wage payments according to duty performed. The title of each kind of duty must be indicative of the nature of that duty in a general way. This point was dealt with previously. What is being stressed here are the kinds of duties that would fall into the field of technical personnel. This question has a vital bearing on the wage level to be fixed for a given duty. It has a vital bearing, because the technical personnel have an important effect on production. Their wages are comparatively higher than that of the average administrative functionary. (This point is borne out in Table I, in the columns of classification of personnel and their wage relationships.)

Because of this, it is very necessary to decide which kinds of duty will belong to the technical personnel.

Concerning this problem, there has been a lot of controversy. But fundamentally there are two kinds of views.

1. Some people consider that work covering project-making, industrial technique, technical examination of things, work concerning motive power, chemical analysis, and production organizing must be taken up only by graduates from an engineering or technical school (the so-called technologically educated), or by core workers who have been promoted from the rank and file of the experienced daily workers. These jobs can be regarded as technical duties. The titles of these jobs can go to the technical personnel. And the wages to be given belong to this technical group.

2. Another school of thought is that since we are learning from Soviet Russia about the division of labor in industrial administration, and since some mechanism is established for detailed specialization into different detailed occupations, we must also copy the Soviet Russian experience in the classification of all kinds of duties. Besides the different kinds of duties mentioned under the first school of thought, others such as the task of the superintendent of the factory, chief of the working room, foreman, planner, or the task of making arrangements for the general operation of the enterprise, the task for safety measures, supplies, sales, determining of wage scales, quota estimating, technical training program, etc. all these belong to the technical field too. Those who pursue such tasks, be they engineering school graduates or plain workers promoted from the rank and file of the daily laborers' group, are entitled to the name of technical personnel and are qualified for wages pertaining thereto.

These two kinds of opinions have never been unified in all these years. So in practical work two kinds of conditions came to notice. In enterprises where the first view predominates, only those who are given duties which are considered technical in nature by this school of thought are properly called the technical personnel and hence are paid accordingly. However in the second kind of enterprises where the second school of thought is the guiding principle (and such enterprises are largely set up according to the Soviet Russian pattern or are directly under the direction of the Russian experts), the terms engineer, technician, etc are broadly applied to people who are given a large variety of duties. For instance there are the safety engineers, quota estimating engineers, sales examining engineers, etc.

During the period of large scale national reconstruction, the shifting of the core workers from one job to another or from one enterprise to another is a frequent occurrence. Thus when technical personnel of the latter kind of enterprise are transferred to work at the former kind of plant as discussed above, there will arise the problem of his title and hence his wage payment. So there is the name of "white cap technical personnel" for these transferred people. That is to say, these people are called engineers and technicians by name, but in reality they are not engineering school graduates at all. They are not even the experienced and accomplished technical men who have been hand picked from the rank and file of the common laborers. Therefore the kind of wage rates allowed to the so-called "white cap" engineers and technicians are frequently somewhat lower than those received by the regular engineers and technicians (graduates from engineering schools or experienced technical men picked from among the common laborers). In some enterprises these "white cap" technical workers are still considered

as administrative functionaries. And so their wages are fixed on this basis. This condition bears its influence on the sentiment of such core workers to a certain extent. It also influences the expedient assignment of core workers for duties. Furthermore it presents difficulties to the work planners and to those who work on statistical records. (For example in the present blank forms used for planning and statistical purposes the classification of personnel is based on the experience of Soviet Russia. But, in order to show the distinction of the above kinds of technical personnel, a special item cannot but be added to these forms as follows: "Among the technical personnel, the number of those who have the title of engineering technical workers.")

In a word, this condition is a contradiction between the advanced experience of Soviet Russia and the old traditional practice of China. In the old Chinese society the greatest number of enterprises of China have independent departments in their management organization, such as the department of personnel, the department of general affairs, the department of finance, the department of marketing, etc. Besides these, all the other things concerning production and technical matters are lumped together under the name of department of industrial work. In this department, in addition to the duties of production organization and technical management, there are concentrated the work of planning, arranging for a general run of production processes, safety measures, supplies, quota-making, labor organizing, etc. Therefore those who are working in this department are justifiably called technical personnel without any hesitation. After the liberation the enterprises began to reform and established their administrative system of dividing the country into different production

ern. Also some functional organizations were set up for the purpose of carrying out the specialization of technical processes under the system of the division of labor. But on the other hand the technical workers were concentrated only in the few functional fields of productive duties as defined by the first school of thought discussed above. This was done because there was a lack of technical in China. It was also because there was no clear understanding of the extent of the duty or responsibility of these newly established organizations. People were ignorant of their nature and their effect. That the technical workers were concentrated in a few functional productive fields was also because there was a general desire to keep them in a few units of an enterprise instead of having them diffused throughout all the units. (When the conditions permitted this was rightly done.) In result, the first school of thought was emphasized. As to the duties defined by the second type of thought, they were taken up by the nontechnical or perhaps even by technical but not technically trained personnel. Moreover at that time the conditions for employing the new system of wage payment according to duty were not favorable. Hence the wages paid to those who performed the duties of the second type of thought were decided on the standard of wage level for administrative workers. Therefore a kind of impression was created that the second type of duties were beyond the pale of technology.

However the experience of Soviet Russia and the practice of our enterprises in these few years have made it abundantly clear that those core workers who took up the second type of duties also had to have certain amount of theoretical knowledge of technical things. Many of those who did the planning or the quota estimating

work during all these years have already learned a great deal about technical subjects. In general they are quite qualified for their jobs now. This is an undeniable fact. All this belongs to one aspect of the story. The other aspect is that whether or not each kind of duty really belongs to the technical field is to be decided upon the nature of that duty itself. Since the practice of the new wage system, that is, the duty-performance system, is to copy the Soviet Russian advanced experience, and since the Russian experience in the classification of industrial personnel has already indicated which are the technical duties for the technical personnel and which not, we can therefore not consider those duties now being performed by the "nonengineering school graduates" as nontechnical. To stoop to adopt the old way of classifying the different kinds of duties would produce an inaccurate appraisal of the wage level according to the standard of the duties performed. It would not be in harmony with the principle of paying recompense according to the kind of labor spent. In that case the assignment of core workers for duties and the plan for cultivating such core workers hereafter will certainly be affected.

Because of this, the present writer deems it fitting to classify the kinds of duties by their nature. Then the wage payment can be fixed on this basis. On the other hand, consideration should not be given to whether the person performing this duty is a graduate of an engineering school or is a seasoned and experienced workman raised from the company of the common workers. Old habits and ideas that are not conducive to the real development of production should be discarded. At least these old habits and ideas should be modified in the processes of the fulfillment of the duty-performance wage system. And from the foregoing analysis of

the latter type of views on the kinds of duties. It is seen that these former ideas and practices can be well modified without hurting anything.

Naturally we cannot take over the Soviet Russian experience bodily and impose it by force on China's industrial system. We cannot apply the term "engineer" to the title of all kinds of duties. The essence of the problem is to have an accurate determination of the wage level for work prosecuted. And any kind of title given to the work itself is really immaterial. This writer is of the opinion that some kind of compromise in the titles can be worked out, titles that will fit in with the conditions of China and titles that can be conveniently accepted by China's workers in the enterprises. For instance in some enterprises such a method can be adopted, that is, in the names of the kinds of duties the titles for "engineers" and "technicians" can be left out. Besides the titles for those who direct the general operation of the enterprise, all the other names for the workers of all kinds of duties can have the general term, "yuan" (or functionaries). The word yuan itself does not specify any rank nor give any special connotation in any sense except that it refers to a person who has some kind of a function. Thus there are the functionaries for planning, the functionaries for making arrangements for production work within the plant, the functionaries for making up work projects, and the functionaries for examining the equipment and fixtures, etc. However in making up an organizational table for the different kinds of duties, if a certain duty cannot be performed by one who is not technically trained to the extent of an engineer, then a special notation should be made to this effect. Then the wage level for this job will be equivalent to that of an engineer (Table II). This method is comparatively more suitable to

the present
the lowest grade are more than that received by the head of an
administrative division or the chief of a working room). Obviously
this is not a reasonable situation. This phenomenon clearly indi-
cates that the present standard for technical work is out of gear
with the development of production. More than this, during the
recent years, because we have learned the Soviet Russian experience
of teaching methods, because we have adopted the same subject
matter as taught in Soviet Russian schools, and because we have
stressed the combination of theory with practice, the standard of
technical theory and practical ability of the students of the
secondary and higher technical schools has been greatly improved.
Yet the present standard for technical work in the enterprises has
as yet not caught up with the spirit of the new development. And
so it has limited the positive effort and initiative of the graduates
of the secondary and the higher technical schools to a certain
extent in production. In this regard the unreasonable conditions
discussed are an indication of being out of joint with the educa-
tional conditions in the technical schools. Premier Chou En-lai
in his report "Concerning the Problems of the Intellectual Elements,"
also pointed out this kind of unreasonable condition existing in
the system of grading.

In Soviet Russia, one who graduates in engineering from a
university is given the title of engineer. He who finishes his
courses in a higher technical school (which has the rank of a
college), becomes a technical worker of the higher rank. Secondary
technical school graduates are called technical workers, and are
given jobs of a technical nature. In the Russian wage system, in

which wages are determined according to the kind of duties performed, it is ruled that in duties of the same nature the wage level for the engineers is higher than that for the other kinds of technical workers. This kind of system enables a college graduate after a brief period of practical experience to be assigned to some independent duty in a certain respect as the guiding leader in technical work over other workmen. This not only fits in with the demands of expanding production but at the same time it also exercises a tremendous influence on the desire of the core workers to strive for more advanced achievements. The system also influences the program of cultivating specialists for technical duties. Although at present the quality of personnel turned out from China's technical schools is not on the same level as the quality of workers from Soviet Russian schools, still it is not by any means incomparable to theirs. Therefore, when using the duty-performance wage system, some suitable modification of the present standards for technical jobs and a system of promotion is really necessary.

The standard of technical personnel for technical duties should dovetail into the classification of the workers under the duty-performance wage system. This standard should also be relied upon to bring out the kind of technical knowledge and the degree of aptitude necessary for the different kinds of duties. When a standard of this kind is to be set up for the new wage system the following aspects of the problem must be taken into account.

1. The duties of the technical personnel can be divided into several broad groups according to the similarity of their nature. For instance the technical personnel in machine manufacturing can be divided into the groups of planning work, project making, industrial technique, production management, scientific research, etc.

be more detailed (see Table I). But no separate standard is devised for each kind of duty. Because when the wages of the technical workers are to be decided, the decision is mainly made on the basis of the kinds of duties they assume. The standard of technical knowledge is used for reference for determining the difference in wage levels for each and every technical worker. In the meantime because of the specific nature of technical work, the standard for their technical knowledge cannot be very concretely set anyway. It would be very difficult to establish a technical standard for each duty.

2. The responsibility of each and every duty is not the same in scope nor is it complicated to the same degree. Therefore there is still the need to distinguish the different kinds of duties for the engineers, for the technicians, and for the common technical workers. And each duty can be divided into a certain number of grades according to its requirement in terms of technical knowledge in theory and dexterity in degree. Nevertheless the grade of the technical personnel should not be based on the number of years of practical experience. (The number of years of practical work in factory can be used as only one of the factors in reference.) The way of grading the technical workers should be decided on the basis of the kind of duty one has and of the kind of educational background one has had.

3. When the relationship between the title of the duty and one's own educational background is to be determined, Soviet Russian experience should be adopted and China's attainment in the field of technical education during these few years should be considered.

(3) The wage problem of the foreman. The wage system now used in most of the enterprises today was adopted before 1952. At that time there was not the system of dividing production work into sections. Therefore in the wage system there was no special rule for establishing the wage level for the foreman of each section. Thus now in these enterprises the wages of the foremen are the same as the wages of the ordinary workers. Like the wage level for the common workers, the wages for the labor overseers are to be determined according to the technical dexterity of these overseers in relation to the grades of the daily workers, which in turn are decided upon the technical standard of these workers. However in some of the enterprises the overseers of labor are given a special subsidy determined on the basis of their regular wages plus the conditions of the working section they supervise, the extent of their responsibility, the conditions of their work, etc. (This is called "the labor overseer's subsidy.")

This kind of a system has already outlived its suitability in relation to the development of production. Its unsuitable conditions are expressed in the following respects.

1. The foreman is the one who bears complete responsibility for the entire working section. The merits and demerits in the work of this man has a vital relationship to the ability or inability of that section in carrying out the production plan, and to the economic result of its work. Whether one may look at the work of the foreman from the standpoint of responsibility or from the standpoint of its effect on the whole enterprise in question, it is far more important than the work of an ordinary experienced common laborer. However under the present system the wage level for the foreman cannot reflect this important aspect of his work.

2. During recent years some enterprises have adopted the system of paying the workers for the number of products put out. As a result the share that went to the experienced and dexterous workers frequently far exceeded the standard wage level established by the authorities. Thus this created a kind unreasonable relation between the wages of the experienced ordinary worker and the foreman.

3. In those very important sections of work in production sometimes engineers would be needed to be the foreman. Thus in this situation the wages of the foreman who is an engineer and the wages of a foreman who is promoted from the ranks of the experienced workers will be as different as cheese and chalk. Here again will be the unreasonable relationship between these two kinds of wages.

4. Some of the working sections in production are comparatively large in scale. The nature of their function is comparatively more important. There are engineers and technicians working in them too. In this case there will also be an unreasonable relationship between the wages of the foreman and those placed under his supervision. The wage level of the foreman will be below that of the engineer.

All these unreasonable conditions are hindrances to the promotion of an experienced common laborer to foreman or the appointment of an engineer to that position. They also indicate the fact that the determination of the wage level for the foreman in the whole wage system is apart from the principle that reward be given according to the kind of labor put into the work. At the present time the factors, especially the newly established one are fitted with complicated equipment. The progress in production constantly requires that the foreman be the person who should have a higher level of technical knowledge. For this reason it is

necessary to raise the wages of the foreman or even to have some special ruling for determining his wage. The principle governing this matter will seem to be fair if it is laid down as follows. Since the nature of duty of the foreman belongs to the realm of the duty of a technical worker, the wage payment of his should then be higher than that of an experienced daily worker. It should be on the same wage level of an engineer of the medium group, or it should be the same as the wage payment of a technician.

VI. Conclusion

For the personnel in Chinese enterprises, personnel for guiding and directing the work of production, for technical work, and for administrative functions, the duty-performance wage system will gradually be introduced. However practical experience in this respect is still scanty. The foregoing paragraphs are merely proposals made by this writer. They have been made by combining the materials gleaned from studying Soviet Russian books concerning the duty-performance wage system, and the practical experience of some of the Chinese enterprises that have already embarked on this new wage system. These proposals are also viewed from the standpoint of the problems existing in many of the enterprises in China today. Immature as they are they are merely set down here for the reference of our comrades. Corrections are welcome.

* * *

The economic development of China is going to be realized for
 engineers and other categories that are going to put into practice
 the high-technology development program.

1. The position of the technical workers of technical
 personnel. The post of technical workers now in use is suitable
 only for the present stage system. Therefore the classifications
 for all the posts of workers are planned in future. According to
 the present technical standard, the number of posts required for
 the technical workers is also from a lower to a higher grade is also
 not high. It is very probable that the worker with experience in
 an enterprise is usually considered as a technical worker of the
 highest or of the grade that is a few grades. If he comes not from
 a technical school, he can after some time work in
 factories be considered as an assistant technical worker. The time
 requirement of the technical standard is set forth by the first
 Ministry of Technical Industry is that a graduate from college
 must acquire two years' practical experience in fact, before he
 can be entitled to the dignified professional name "engineer." But
 his practical experience can be merely making work in the first
 year. Then after that he can be allowed to take up some more the
 complicated work in project making or in the field of industrial
 technology. Because of this time limit some of the more capable
 technical workers who can even design fairly complicated machines
 still cannot rise above this temporal limit and be promoted to the
 rank of engineers. It is not that they are not qualified for this
 rank. They are only not allowed to. Some very brilliant technical
 workers have been promoted as foremen of their groups, but because
 of the time limit they are still in the technical workers' grade.
 Thus their wages are even lower than those of some of the engineers.